

THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

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NOTICE OF PROBABLE VIOLATION
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

March 14, 2018

D.P.U. 18-PL-03

Stephen H. Bryant
President
Columbia Gas of Massachusetts
4 Technology Drive, Suite 25
Westborough, MA 01581

Re: [REDACTED], Taunton (2-15-2016)

Dear Mr. Bryant:

This Notice of Probable Violation (“NOPV”) is issued to Bay State Gas Company d/b/a Columbia Gas of Massachusetts (“CMA” or “Respondent”) pursuant to 220 CMR 69.03. The Pipeline Engineering and Safety Division (“Division”) of the Department of Public Utilities (“Department”) issues this NOPV under authority granted by Delegation Order, D.P.U. 17-40 (2017). The Division conducted an investigation into CMA’s report of an over-pressurization situation to determine compliance with applicable federal and state pipeline safety regulations. The Division performed the investigation

pursuant to G.L. c.164, §§ 76 and 105A and 220 CMR 69.02. As discussed in further detail below, the Division has reason to believe that Respondent may have violated 49 C.F.R. Part 192 (“Part 192”).

I. Allegations

On February 15, 2016, CMA reported to the Division an overpressurization at a [REDACTED] gate station at [REDACTED], Taunton. The report noted that CMA’s Gas Control Room in Ohio had lost the ability to control the outlet pressure of the district regulator station. On February 25, 2016, the Division issued an Information Request (“IR-PL-1”) to CMA regarding the overpressurization, and CMA provided responsive records on March 18, 2016. On June 1, 2016, the Division issued an Exit Letter to CMA, and CMA responded on July 1, 2016.

CMA’s response to IR-PL 1-1 indicated that the operating pressure of the distribution system exceeded the Maximum Allowable Operating Pressure (“MAOP”). The records show that at 6:24 a.m. on February 15, 2016, the pressure reached [REDACTED] pounds per square inch gauge (“psig”) on CMA’s Supervisor Control and Data Acquisition (“SCADA”) system. CMA’s documents show that the MAOP for the distribution system was established at [REDACTED] psig. In response to the Exit Letter, CMA admitted that the [REDACTED] district regulator station was not in compliance with Part 192, § 192.201(a)(2)(i). The Division contends that CMA failed to prevent the distribution system from exceeding the established MAOP of [REDACTED] psig as required by Part 192, § 192.201(a)(2)(i).

In addition, pursuant to Part 192, § 192.195(b)(2), a distribution system supplied by a source of gas that has a higher operating pressure than the MAOP for the system must “[b]e designed so as to prevent accidental overpressuring.” Based on information provided in response to IR-PL 1-1, it appears that CMA failed to protect the regulator from dirt and debris, in violation of Part 192, § 192.739(a)(4). In response to the Exit Letter, CMA contended that the annual inspection and SCADA history do not show any report of debris impacting the station’s performance, and claimed that the overpressurization was the result of an abnormal operating condition, which CMA has investigated and plans to address.

Part 192, § 192.605(c) addresses abnormal operating conditions for transmission pipelines but not for distribution district regulator stations. The Division contends that the district regulator station did not maintain a pressure below the MAOP for a distribution system because of the failure of the district regulator and not an abnormal operating condition. CMA further stated, in an Incident Follow-up Report to the Division, that the SCADA system had “lost control of the working regulator” because of a damaged boot,¹ which may have caused a failure, thus allowing the distribution system to exceed its MAOP. It appears that CMA failed to provide the proper overpressure protection for its distribution system as part of the design and operations and maintenance of its district regulator stations. Thus, the Division contends that CMA failed to meet the requirements of Part 192, § 192.195(b)(2).

¹ The boot is the part of a district regulator that controls the pressure and flow of gas to a distribution system.

Finally, pursuant to Part 192, § 192.603(b), an operator must keep records necessary to administer the procedures established under Part 192, § 192.605. Section 192.605 references Subpart M, which requires, at § 192.739(a), that pressure limiting and regulating stations be inspected and tested at intervals not to exceed 15 months but at least once each calendar year. CMA provided annual maintenance records dating from 2013 through 2015 that did not indicate: (a) the condition of the regulator components (such as the boot and O-rings); (b) if lock-up was achieved; (c) at what pressure the station regulator locked up; or (d) the capacity of the station or gas leakage readings prior to entering the station. In addition, records of the annual inspection did not indicate to which run the inspection records applied. The Division contends that CMA's documentation for the annual inspections of the district regulators were insufficient to demonstrate compliance with Part 192, § 192.603(b). The Division also contends that CMA cannot substantiate that it met the requirements of Part 192, § 192.739(a) based on the documents provided.

Based on the investigation, the Division has reason to believe that Respondent failed to control the outlet pressure of the district regulator station, which resulted in CMA's exceeding the established MAOP of the distribution system. In addition, CMA failed to protect the district regulator station from dirt and debris, which resulted in the failure of the station to function as designed. CMA also did not keep sufficient records for the annual district regulator station inspections to demonstrate compliance. The Division has reason to

believe that CMA may be in violation of certain sections of federal pipeline safety regulations, Part 192. The alleged violations of Part 192 are as follows:

1. Part 192, § 192.201(a)(2)(i) Required capacity of pressure relieving and limiting stations.
 - (a) Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline must have enough capacity, and must be set to operate, to insure the following:
 - (2) In pipelines other than a low pressure distribution system:
 - (i) If the maximum allowable operating pressure is 60 p.s.i. (414 kPa) gage or more, the pressure may not exceed the maximum allowable operating pressure plus 10 percent, or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower.
2. Part 192, § 192.195(b)(2) Protection against accidental overpressuring.
 - (b) Additional requirements for distribution systems. Each distribution system that is supplied from a source of gas that is at a higher pressure than the maximum allowable operating pressure for the system must--
 - (2) Be designed so as to prevent accidental overpressuring.
3. Part 192, § 192.603 General provisions.
 - (b) Each operator shall keep records necessary to administer the procedures established under § 192.605.
4. Part 192, § 192.605(b)(1) Procedural manual for operations, maintenance, and emergencies.
 - (b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during the maintenance and operations.
 - (1) Operating, maintaining and repairing the pipeline in accordance with each of the requirements of this subpart and subpar M of this part.

5. Part 192, § 192.739(a) Pressure limiting and regulating stations: Inspection and testing.
 - (a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is--
 - (1) In good mechanical condition;
 - (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
 - (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of § 192.201(a); and
 - (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.
6. Part 192, § 192.13(c) What general requirements apply to pipelines regulated under this part?
 - (c) Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

Thus, the Division has reason to believe that CMA may be in violation of Part 192, §§ 192.201(a)(2)(i), 192.195(b)(2), 192.603(b), 192.605(b)(1), 192.739(a)(1) through (4), and 192.13(c).

II. Prior Consent Order Violations

CMA has signed the following Consent Orders that pertain to similar violations of Part 192: Bay State Gas Company, D.T.E. 99-PL-22 (§ 192.605(b)(1)); Bay State Gas

Company, D.T.E. 99-PL-08 (§ 192.605(b)(1)); Bay State Gas Company, D.T.E. 94-PL-02 (§ 192.739(a)).

III. Proposed Civil Penalty

Under G.L. c. 164, § 105A, CMA is subject to a civil penalty not to exceed \$200,000 for each violation for each day that the violation exists, up to a maximum of \$2,000,000 for any related series of violations.

In determining the amount of the civil penalty, the Division shall consider the following, pursuant to G.L. c. 164, § 105A: the appropriateness of the penalty to the size of the business of the person, firm, or corporation charged; the gravity of the violation; and the good faith of the person, firm, or corporation charged in attempting to achieve compliance, after notification of a violation.

In the present matter, the Division has reviewed the circumstances of the allegations and is prepared to resolve this matter upon CMA agreement to the terms in the attached Consent Order and payment of a civil penalty in the amount of \$75,000.

IV. Response to this NOPV

Within 30 days of receipt of this NOPV, CMA shall respond to the Division in one of the following ways, pursuant to 220 CMR 69.04:

1. Pay the proposed civil penalty by check or money order made payable to the Commonwealth of Massachusetts and sign the Consent Order, which will close the case;
2. Submit an offer in compromise of the proposed civil penalty under 220 CMR 69.04(2);

3. Request an informal conference under 220 CMR 69.05; or
4. Submit a written reply to the Division disputing the allegation(s) contained in the NOPV. The reply must include a complete statement of all relevant facts and authority and full description of the reasons why the Respondent disputes the allegation(s) contained in the NOPV.

Failure to respond within 30 days of receipt of this NOPV will be deemed an admission to the allegations contained herein and a waiver of CMA's right to contest the allegations. If CMA fails to respond within 30 days, the Department may, without further notice, find the facts to be as alleged herein and issue a final Order, pursuant to 220 CMR 69.04(3).

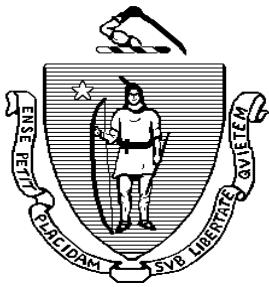
Very truly yours,

/s/

Richard C. Wallace, Director
Pipeline Engineering and
Safety Division

Enclosures: Consent Order
Compliance Agreement

Cc: Robert Mooney, Columbia Gas of Massachusetts
Danny G. Cote, Columbia Gas of Massachusetts
Laurie Ellen Weisman, Division Counsel (Email Only)



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

CONSENT ORDER

March 14, 2018

D.P.U. 18-PL-03

In the matter of Bay State Gas Company d/b/a Columbia Gas of Massachusetts

I. JURISDICTION

1. This document, with the attached Compliance Agreement, is a Consent Order entered into between the Pipeline Engineering and Safety Division (“Division”) of the Department of Public Utilities (“Department”) and Bay State Gas Company d/b/a Columbia Gas of Massachusetts (“Respondent”), and is executed in accordance with 220 CMR 69.08.
2. The Division has authority to enter into this Consent Order on behalf of the Department pursuant to Delegation Order, D.P.U. 17-40 (2017).
3. Failure to comply with the terms of this Order may result in the assessment of civil penalties and referral of this matter to the Attorney General for appropriate action.
4. The terms and conditions of this Order become effective upon signing by the authorized representatives of the Respondent and the Department.
5. Respondent has stipulated and consented to the issuance of this Consent Order.

II. VIOLATIONS AND CIVIL PENALTY

1. Pursuant to G.L. c. 164, §§ 76 and 105A, and 220 CMR 69.02, the Division conducted a pipeline safety inspection of the Respondent’s facilities and records. As a result of the inspection, the Director of the Division issued to the Respondent a Notice of Probable Violation (“NOPV”), D.P.U. 18-PL-03, dated March 14, 2018 in accordance with 220 CMR 69.03. The NOPV is attached hereto and made a part hereof.
2. Based on information contained in the NOPV, the Division finds that the Respondent violated pipeline safety regulations contained in 49 C.F.R. Part 192 (“Part 192”), specifically:

Part 192, § 192.201(a)(2)(i) Required capacity of pressure relieving and limiting stations.

Part 192, § 192.739(a) Pressure limiting and regulating stations: Inspection and testing.

Part 192, § 192.195(b)(2) Protection against accidental overpressuring.

Part 192, § 192.603(b) General provisions.

Part 192, § 192.13(c) What general requirements apply to pipelines regulated under this part?

3. Pursuant to G.L. c. 164, § 105A, the Division hereby imposes upon the Respondent a civil penalty in the amount of \$75,000 for the above-noted violations.
4. The Respondent hereby agrees, upon signing and returning this Consent Order to the Division, to remit payment of the civil penalty by check or money order in the amount of \$75,000 made payable to the Commonwealth of Massachusetts, One South Station, Boston, MA 02110.

III. RESPONDENT REQUIREMENTS

1. **Respondent shall sign the Stipulation below and return this complete document to the Division along with payment of the civil penalty.**
2. All submissions by Respondent in accordance with this Consent Order shall be addressed to:

Director
Pipeline Engineering and Safety Division
Department of Public Utilities
One South Station
Boston, MA 02110

IV. STIPULATED TERMS

Pursuant to 220 CMR 69.08(1), the Respondent through the signature below, by the person to whom this Consent Order is issued or a duly authorized representative, acknowledges agreement to the terms contained herein without admitting or denying that a violation of any Department or federal pipeline safety law or regulation occurred in relation to the above-noted matters. Further, Respondent agrees to issuance of this Consent Order and stipulates to the following:

1. Respondent, by signing the Stipulation, hereby waives:
 - (a) All rights to informal review pursuant to 220 CMR 69.05;
 - (b) All rights to a hearing pursuant to 220 CMR 69.06;

- (c) Any and all procedural rights available in connection with the issuance of the Consent Order;
- (d) All rights to seek any type of administrative or judicial review of the Consent Order; and
- (e) Any and all rights to challenge or contest the validity of the Consent Order.

2. Respondent expressly acknowledges that neither Respondent nor the Division has any intention to enter into a contract.
3. The terms and provisions of this Consent Order and Stipulation shall be binding upon, and inure to the benefit of, Respondent and the Division and their successors in interest.
4. Nothing in these Stipulated Terms shall preclude any proceedings brought by the Department to enforce the terms of the Consent Order, and nothing in these Stipulated Terms constitute, nor shall Respondent contend that they constitute, a waiver of any right, power, or authority of any other representative of the Commonwealth or an agency thereof to bring other actions deemed appropriate.

V. FINAL ORDER

1. This Consent Order and Stipulation is intended to be, and shall be construed to be, a final order of the Department issued pursuant to G.L. c. 25, § 5, having the force and effect of a remedial order, pursuant to 220 CMR 69.07(2), and expressly does not form, and may not be considered to form, a contract binding on the Division, the Department, or the Commonwealth of Massachusetts.

2. The terms of this Consent Order and Stipulation, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreement, or prior arrangements between the Division and the Respondent, whether oral or written.

By Order of the Division

Date: _____

Richard C. Wallace, Director
Pipeline Engineering and Safety Division
Department of Public Utilities

The undersigned, duly authorized, stipulates to and acknowledges agreement to the terms herein.

BAY STATE GAS COMPANY D/B/A COLUMBIA GAS OF MASSACHUSETTS

Date: _____

Stephen H. Bryant
President
Columbia Gas of Massachusetts

**COMPLIANCE AGREEMENT
BETWEEN THE DEPARTMENT OF PUBLIC UTILITIES
AND BAY STATE GAS COMPANY D/B/A COLUMBIA GAS OF MASSACHUSETTS**

D.P.U. 18-PL-03

Bay State Gas Company d/b/a Columbia Gas of Gas of Massachusetts (“CMA”) agrees to take the following actions within the specified time periods:

1. Within 45 days of the effective date of this Order, CMA shall review all pressure regulator station records to ensure that all pressure regulator stations flow filters have been properly maintained.
2. Within 60 days of the effective date of this Order, CMA shall supply the Division with documentation of CMA’s findings for Item 1 above.
3. Within 45 days of the effective date of this Order, CMA shall review all the set points for all its pressure regulator stations to ensure that the worker, controller, and overpressure protection regulator devices or any other pressure safety devices are set to operate the distribution systems not to exceed the Maximum Allowable Operating Pressure.
4. Within 60 days of the effective date of this Order, CMA shall supply the Division with documentation that CMA has complied with Item 3 above.
5. Within 30 days of the effective date of this Order, CMA shall amend its Operating and Maintenance procedures to ensure that the pigging of transmission pipelines will not interfere with the safe operation of its pressure regulator stations.
6. Within 45 days of the effective date of this Order, CMA shall supply the Division with documentation of the amendments required by Item 5 above.
7. Within 30 days of the effective date of this Order, CMA shall supply the Division with a copy of its failure investigation for the [REDACTED] pressure regulator station failure as required by 49 C.F.R. § 192.617.
8. Within 60 days of the effective date of this Order, CMA shall identify and supply the Division with a list of those pressure regulator stations lacking/requiring natural gas filtration devices.
9. Within 365 days of the effective date of this Order, CMA shall install natural gas filtration devices on those pressure regulator stations needing filtration devices.
10. Within 380 days of the effective date of this Order, CMA shall supply the Division with documentation that CMA has complied with Item 9 above.
11. Within 30 days of the effective date of this Order, CMA shall pay a civil penalty of \$75,000 to the Commonwealth of Massachusetts.